

PSYCHOLOGICAL CONTRACTING WITH AN AGING WORKFORCE IN WESTERN  
ECONOMIES: THE CHALLENGE OF GENERATING SOCIAL CAPITAL

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## ABSTRACT

Many studies have demonstrated that the ability of leaders to accurately assess their own behavior and performance is related to effectiveness. This study investigated what relationship, if any, existed between agreement of leader self-ratings, the ratings of subordinates and conditions believed favorable to subordinates entering into psychological contracts for extra role behaviors. In addition to the influence of demographic characteristics, such variables were deemed important in light of emerging evidence that extra role behaviors of direct reports (behaviors that go beyond formal job descriptions) constitute a form of social capital upon which leaders can draw to accomplish ambitious objectives.

An interaction was between increasing subordinate age and the level of agreement between leader self-ratings and subordinate perceptions of leader's trustworthiness and altruism, two conditions believed critical to psychological contracting for extra role behaviors. In light of the fact that workers between 50 and 69 years of age will comprise 34 to 36 percent of the total work force in the US and other Western economies by the year 2008, the implication of this interaction on securing extra role behaviors and enhancing social capital deserves consideration.

## THE INCREASING IMPORTANCE OF PSYCHOLOGICAL CONTRACTING FOR ROLE BEHAVIOR IN WESTERN ECONOMIES

With the western workplace becoming increasingly more complex and fluid (Dean & Snell, 1991; Kozlowski, Chao, Smith, & Hedlund, 1993; Illgen, 1994), contractual work behavior associated with well-defined job parameters is becoming less useful in managing human endeavor. The inability to engage organizational members in behavior beyond the narrow confines of contract compliance, in exchange for customary organizational rewards, reduces a firm's potential for realizing strategic goals and objectives (Katz & Kahn, 1966).

A new perspective of managing human resources is emerging. It is a strategic perspective advocating that human resource management (HRM) can become a source of sustained competitive advantage when firms create value in a way that is rare and difficult for competitors to emulate (Becker & Gerhart, 1996). The assumption underlying this new perspective is that employee knowledge, skills, and abilities are human capital, and HRM is about how to best gather and use this human capital relative to the strategic direction of the firm (Uhl-Bien, Graen, and Scandura, 2000).

HRM professionals are still grappling with how to best ensure that individual employees combine their job-specific technical knowledge and skills in a synergistic, integrative manner to create human capital. Uhl-Bien et al. (2000) proposed that this would not happen until we recognize the role of social capital in enhancing the value of human capital. That is, we cannot utilize the knowledge, skills, and abilities of employees as human capital until we realize that their contribution to firm performance depends on how employees interact with one another through interpersonal relationships, and it is such relationships that comprise social capital.

Social capital is derived through the social structure of the workplace. It facilitates the actions of individuals within the larger organizational structure and generates resources through networks of mutual acquaintance and recognition (Nahapiet & Ghosal, 1998). Such resources are rooted in obligations arising from feelings of gratitude, respect, friendship, and through contacts and connections that networks bring. The capital within these resources makes possible the

achievement of ends that would be otherwise impossible (Nahapiet & Ghosal,1998). Uhl-Bien et al. (2000) built on this idea by proposing that in order to realize the value of human capital HRM strategy should address the building of social capital. The most logical focal point should be high quality relationships that results from interpersonal interactions and exchanges at the most fundamental organizational level, the leader-member dyad.

Graen and Scandura (1987) observed that job incumbents actively seek out the most immediate organizational agent and attempt to negotiate a contract for behavior that will be mutually satisfying to themselves and the organization. By far, the most accessible and complex organizational agent available to the job incumbent is the immediate manager, supervisor, or leader. Such individuals are in a unique position to make or break the psychological contracts of their direct reports (Rosseau,1995) in that they can mitigate effects of unmet expectations by cutting special deals, creating opportunities, and providing emotional support and confidence building (Major, Kozlowski, Chao, & Gardner, 1992). Indeed, such leaders are generally interested in exchanging organizational resources under their control for behavior from direct reports that go beyond the traditional job paradigm and assist in accomplishing unstructured goals and objectives of a high priority (Tjosvold,1989). The leader customarily offers outcomes highly valued by the individual subordinate (e.g., increased job latitude, assignment to challenging projects, increased mentoring, etc.) in exchange for expertise, collaboration, loyalty, commitment, effort, and the sharing of administrative duties beyond what is normally associated with contractual work behavior (Yukl, 1989). Rosseau (1995) referred to this process of exchange as "psychological" contracting, or the individual's beliefs, shaped by an organizational agent, regarding demands and expectations of the individual in exchange for highly valued outcomes. These psychological contracts can be viewed as social capital because they are owned jointly by both parties and no one party is capable of exclusive ownership rights. Further, the social capital represented by these contracts cannot be easily traded and thus makes possible achievement of ends that would be impossible otherwise, such as the motivation to go above and beyond formally defined work contracts (Uhl-Bein et al., 2000).

There is limited knowledge about the particular attributes influencing realization of psychological contracts for role behavior (Wayne, Linden, & Sparrowe, 1994; Gerstner & Day, 1997). It is generally believed that successful psychological contracts between leaders and direct reports evolve from relationships built on trust, respect, and mutual obligation (Uhl-Bein et al., 2000). Undoubtedly, the direct report must be willing to be vulnerable to the actions of the leader based on the expectation that the leader will perform a particular action important to the subordinate (Stark & Thomas, 1998). To accept such vulnerability implies that a critical component of the psychological contract is the degree to which a direct report perceives that the leader can be trusted and has the best interest of the direct report at heart (Wayne, et al., 1994; Graen & Uhl-Bien, 1995).

#### THE ROLE OF SELF-ASSESSMENT IN GENERATING CONDITIONS CONDUCIVE TO PSYCHOLOGICAL CONTRACTING FOR ROLE BEHAVIOR.

It seems reasonable that direct reports monitor numerous behaviors emanating from their leaders in determining if a leader has the direct report's best interest at heart and can be trusted in an exchange relationship (Linden et al., 1997). Atwater and Yammarino (1997a) acknowledge that in most work settings it is important to understand and acknowledge others' perceptions of oneself. That is, direct reports' perceptions of their leaders influence subsequent behaviors, and leaders who are unaware of how they are perceived by direct reports are at a disadvantage. Further, they advocated that negative organizational consequences result when leaders do not perceive themselves as perceived by their direct reports. This study proposes that among such negative outcomes are the inability to generate perceptions of trustworthiness and altruism among direct reports which leads to difficulty in securing psychological contracts for role behavior which in turn reduces the amount of social capital found within a firm.

A currently popular tool for determining accuracy of a leader's self-assessment is multi-source feedback. Multi-source feedback processes involve a target individual (usually a manager, supervisor, or leader) providing a self-rating on a criteria deemed critical to successful job performance and then soliciting feedback from important constituents such as direct reports, customers, and immediate supervisors about that individual's performance on those same

criteria. The target individual then compares self-ratings with an aggregate of the feedback secured from others. A unique aspect of multi-source feedback is upward feedback. Upward feedback within the multi-source feedback processes focuses exclusively on the self-ratings of leaders and the ratings given them by their direct reports.

In regard to upward feedback, accurate self-raters are found when the self-ratings of the leader and direct reports are generally in agreement regarding some objective criteria (Atwater & Yammarino, 1977a; 1977b). Inaccurate self-raters fall into two classifications: (a) Over-estimating leaders who produce self-ratings that are more favorable than the ratings of direct reports, and (b) Under-estimating leaders who produce self-ratings less favorable than the ratings of direct reports.

While leader self-ratings that are mildly inflated may be indicative of self-confidence or self-efficacy (Atwater & Yammarino, 1997a), over-estimating leaders in this study referred to individuals with large discrepancies between their self-report and the ratings given by their direct reports. Over-estimators are reported to have frequent conflicts with others and may suffer from unstable and inflated levels of self-esteem due to their strong need for enhancement and self-aggrandizement (Atwater & Yammerino, 1997a).

Stark, Thomas, and Hansen (1999) found that the direct reports of over-estimating leaders reported lower levels of trust in the leader than did direct reports of in-agreement and under-estimating leaders. They suggested that differing expectations between over-estimating leaders and their direct reports likely result in conflicts and ambiguities, which lead to a sense of disappointment. Such disappointment, in turn, may generate negative perceptions regarding the trustworthiness of the leader.

Further, if direct reports perceive their leaders to have unrealistically high opinions of themselves, it is possible that direct reports may not believe or trust the opinions of the leaders' about other objects or ideas. This situation could lead to a spillover effect whereby such leaders are perceived as over estimating many decision variables (Atwater and Yammerino, 1997a), including their ability to deliver valued outcomes for desired role behaviors. Because of such conflicts and ambiguity, direct reports of over-estimating leaders should not be expected to agree

to psychological contracts for role behaviors extending beyond a narrow interpretation of the incumbent's job.

Leaders who rate themselves considerably lower than those providing feedback have been found to be rated highest by their direct reports (Van Velsor et al., 1992; Atwater, Roush, & Fischthal, 1995). Sosik, Avolio, and Jung (2000) speculated that one reason for this observation may be that under-estimating leaders are more humble, modest individuals who are conservative in their self assessment and who think less of self-centered outcomes associated with their efforts and performance. If this is so, then under-estimating leaders are likely to be perceived by their direct reports as benevolent individuals having an altruistic concern for the general well being of direct reports. Mayer, Davis, and Schoorman (1995) argued that such a concern for others is often reflected in perceptions of a leader's loyalty, caring, openness and availability. Indeed, Stark et al. (1999) reported that under-estimating leaders were perceived as being better organizational citizens than over-estimators in that their behavior was viewed as modest, discretionary, not recognized by the formal reward system, and promoting the effective functioning of the organization. In a sense, these are the same role behaviors leaders frequently desire from their direct reports. Thus, direct reports of under-estimating leaders should be more likely to develop psychological contracts for role behaviors than direct reports of over-estimators because they perceive their leaders as being concerned for their welfare, committed to providing valued outcomes, and modeling the behavior being requested.

Finally, Atwater and Yammerino, (1997a) cited a wealth of literature supporting the argument that leaders capable of more accurate self-ratings are known to be successful and effective on the job. Thus, it appears reasonable to believe that leaders whose self-ratings are in agreement with their direct reports, especially those whose ratings can be described as "good" as opposed to "poor" on the criterion of interest, have a high potential to secure psychological contracts for role behavior because direct reports believe them to be both trustworthy and altruistic. In achieving such psychological contracts, these leaders are likely capable of generating social capital that allows them to contribute beyond the normal expectations of their positions to the goals and objectives of the organization.

## DEMOGRAPHIC CHARACTERISTICS INFLUENCING AGREEMENT IN UPWARD FEEDBACK AND CONDITIONS FAVORABLE FOR CONTRACTING FOR ROLE BEHAVIOR

Unfortunately, there may not be a clear causal relationship between self-other agreement and extra contractual role behavior. There is reason to suspect that certain demographic characteristics of direct reports bias the nature of their upward feedback and as a consequence influence the potential for self-other agreement and conditions favorable for extra contractual subordinate role behavior.

### Age

The few studies that have been conducted on the age of individuals providing ratings to target managers have yielded inconsistent results (Landy & Farr, 1980). Liden, Stilwel, and Ferris (1996) found that older raters likely bring to an evaluation more global work experiences and greater understanding of what it takes to get work done in an organizational environment. They are thought to be less inclined to assume an internal attribution for poor performance than raters who are relatively younger and less aware of environmental constraints on the targeted individual's behavior and performance. From another perspective, Atwater and Yammarino (1997a) suggested that perhaps individuals become less critical of others as they age and accumulate a work history, or they may simply become nonchalant regarding the differences between individuals. However, Stark et al. (1999) found no relationship between the age of the rater and nature of the feedback given.

### Gender

Gender is believed to influence upward feedback. Several studies have shown that women in male dominated groups receive more negative evaluations than men in those groups (Ruble, Cohen, & Ruble, 1984; Swim, Brogida, Maruyama, & Meyers, 1989). This might suggest that female leaders could be expected to receive higher levels of negative ratings than male leaders. Pazy (1986) observed that males tend to rate males higher than females even when performance information is the same. This would suggest a gender bias on the part of males to provide more positive feedback to gender similar leaders but not so with female direct reports. However, Bartol and Butterfield (1976) reported that when performance information was the

same, female business students gave higher ratings to hypothetical female managers and male students gave higher ratings to hypothetical male managers. So, the influence of gender on upward feedback is unclear.

### Organizational Tenure

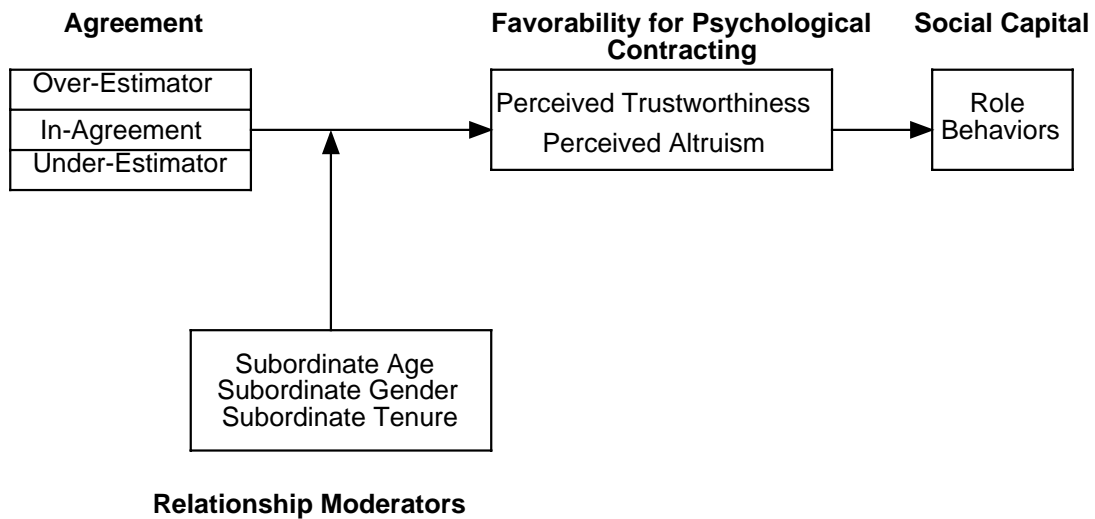
Organizational tenure may result in a global understanding of work within organizational environments through exposure to various jobs across the organization. Cascio and Valenzi (1997) and Ferris, Judge, Rowland and Fitzgibbons (1994) found that years of organizational tenure were positively related to higher performance ratings of others. Atwater and Yammarino (1997a) also found that those with more years of tenure tend to rate others higher than those with fewer years of tenure. Finally, work by Ferris et al. (1994) suggested a “toughness-leniency” progression where as individuals gain more experience and self-confidence, they become more lenient in their ratings of others.

### PURPOSE OF THIS STUDY

The primary research questions in this study were: (a) What relationship, if any, exists between agreement of leader self-ratings, the ratings of direct reports and conditions believed favorable to direct reports entering into psychological contracts for role behaviors? (b) In what manner, if any, will demographic characteristics of direct reports influence such a relationship, if one exists? Figure 1 represents a model of the variables investigated in this study. It must be emphasized that this study did not directly investigate the presence or absence of role behavior. It focused instead on conditions believed to favor subordinate contracting for extra role behaviors: direct report perception of leader trustworthiness and altruism.

### POPULATION AND SAMPLE

The population for this study included managers in a Fortune 500 insurance company located in the Midwest. A random sample of 90 managers was selected, and 366 of their direct reports were identified. On request of the company, an additional 13 managers and their 54 direct



**Figure 1.** A model of the relationship between leader-direct report agreement in upward feedback processes and the development of psychological contracts for role behavior.

reports were added to the sample. Of the 103 managers in this study, 60% of the managers were male, 39% were female, and 1% were not identified. One% of the managers were under 22 years of age, 1% were between 22 and 33 years of age, 88% were between 34 and 52 years of age, 9% were between 53 and 68 years of age, and 1% were not identified.

Of the 420 direct reports, 41% were male, 55% were female, and 4% were not identified. Less than 1% of the direct reports were under 22 years of age, 16% were between 22 to 33 years of age, 72% were between 34 and 52 years of age, 8% were between 53 and 68 years old, and 4% were not identified. Average organizational tenure of the direct reports was 12 years.

## METHODS AND MEASURES

### Measures

**Agreement:** Leader and direct-report feedback was obtained using a 24-item scale developed specifically for this study assessing general managerial skills. For instance, one item inquired about the leader's ability to take action beyond what is normally expected in order to

achieve a goal. Response options ranged from 1=needs improvement to 10=outstanding. The scale produced a Cronbach's alpha of .97.

Modifying a method developed by Atwater and Yammarino (1992), managers whose self-reported scores on this scale were within a one standard deviation of the mean difference of their specific direct reports, were categorized as being "in agreement" (N=195). Managers whose self-reported scores were one standard deviation or more above the mean difference for their comparison groups were categorized as "over-estimators" (N=55). Those managers whose self-reported scores were one standard deviation or more below the mean difference for their comparison groups were categorized as "under-estimators" (N=80).

Favorability for psychological contracting. Two separate scales were used to estimate conditions favoring the presence of a psychological contract for role behaviors. The first was a 14-item scale developed for this study measuring perceived leader trustworthiness. For instance, one item inquired about the degree to which the direct report perceived that the leader had earned the trust of others. Response options ranged from 1=needs improvement to 10=outstanding. The scale produced a Cronbach's alpha of .95. The second was a 13-item scale developed for this study measuring perceived leader altruism and concern for direct reports. For instance, one item inquired about the leader's ability to revitalize a direct report's spirit when he/she had suffered a set back. Response options ranged from 1=needs improvement to 10=outstanding. The scale produced a Cronbach's alpha of .96. Factor analysis and orthogonal rotation confirmed that the two scales did indeed measure separate and differing concepts with no cross-loading items.

Demographic information. All information concerning each direct report's age, gender, organizational tenure and other demographic information was obtained from the firm's human resource information system.

## Methods

Data for this study was analyzed using multivariate analysis. In general, multivariate analysis seeks to test whether the mean difference between groups on a combination of dependent variables is likely to have occurred by chance (Tabachnick & Fidell, 1996). By

considering both subordinate perceptions of leader altruism and trustworthiness in a linear combination, it was believed that a powerful test of the relationship with agreement groupings could be conducted. Specifically, multivariate analysis of covariance (MANCOVA) was deemed appropriate for determining if there were mean differences between independent variables and dependent variables when accounting for prior differences (Tabachnick and Fidell, 1996). More succinctly, MANCOVA appeared appropriate for asking whether, after adjusting for differences in demographic characteristics, there were any significant differences among agreement groups in this study on the linear combination of perceptions of leader altruism and trustworthiness, both conditions believed critical to subordinate contracting for role behavior.

## RESULTS

Preliminary analysis revealed no evidence of violation of assumptions of multivariate normality or homogeneity of variance-covariance. Sample sizes were quite different in the three groupings, but it was assumed that these differences reflected real processes in the population. Table 1 contains the descriptive statistics and correlations for the variables in this study. The high correlation between the two dependent variables (perceived leader trustworthiness and altruism) provided evidence that multivariate analysis was appropriate for this study.

**TABLE 1. Descriptive Statistics and Correlations**

	Variable	N	Mean	SD	1	2	3	4	5
1	Agreement (Dummy Coded)	330	-1.07	.636					
2	Age	430	41.70	8.11	-.94				
3	Altruism	403	6.51	1.55	.221**	-.062			
4	Trustworthiness	402	6.95	1.39	.200**	-.010	.730**		
5	Gender (Dummy Coded)	402	.57	.50	-.053	-.193**	-.048	-.050	
6	Organizational Tenure (Years)	403	12.28	8.68	-.037	.403***	-.025	-.012	.033

\*\*Correlation is significant at the 0.01 level (2-tailed)

Cell plots of the main effects (Figure 2) suggested that direct reports in this study reporting to over-estimating leaders perceived them as much less trustworthy than direct reports reporting to in-agreement or under-estimating leaders. Further, it appeared that direct reports of under-

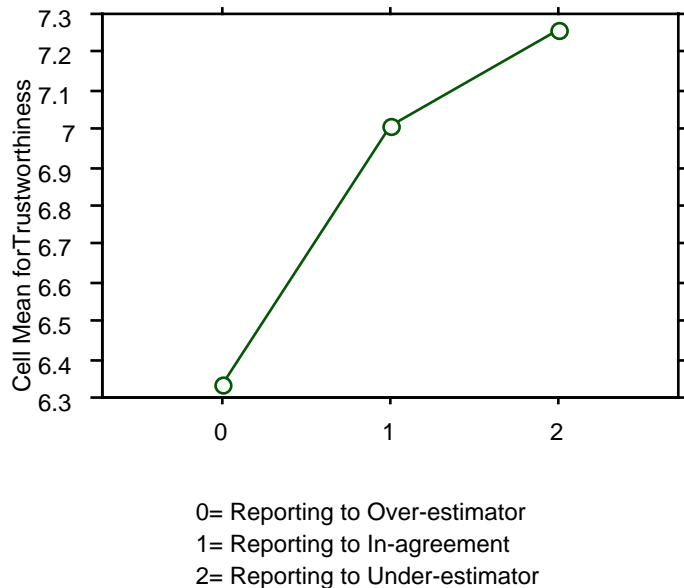


Figure 1. Cell Plot for Perceived Leader Trustworthiness

estimators perceived the greatest trust in their leader. Additional cell plots (Figure 3) also suggested that direct reports of over-estimating leaders perceived them to be less altruistic than direct reports of in-agreement or under-estimating leaders.

In conducting a MANCOVA, it is necessary to determine if regression of the hyperplanes between the covariates in this study (age, gender, and organizational tenure) and the dependent variables was the same (homogeneous) for all groups (direct reports of over-estimators, in-agreement, and under-estimators). A test of the pooled effect of the covariates on the variance shared by dependent variables across levels of self-other agreement (Tabachnick & Fidell, 1996) produced a Wilk's Lambda value of .87, significant at  $p < .001$ . This result suggested that the shared variance between direct report perceptions of leader trustworthiness and altruism was best explained by an interaction between the covariates and the levels of self-other agreement rather than a simple

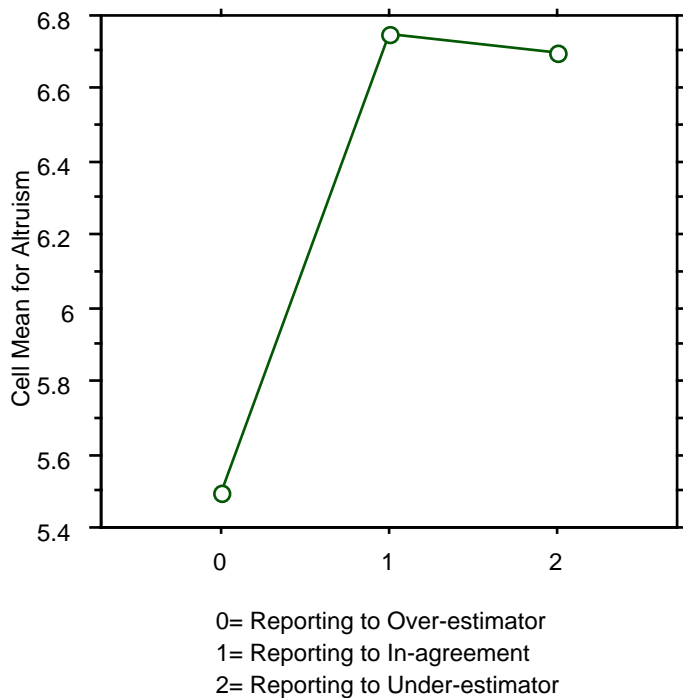


Figure 2. Cell Plot for Perceived Leader Altruism.

relationship with levels of self-other agreement. Univariate analysis (Tabachnick & Fidell ,1996) indicated that the pooled interaction accounted for significant variation in both perceived leader trustworthiness and altruism (df=6,318; F=2.99, p<.01 and F=5.87, p<.001 respectively). This heterogeneity, rather than homogeneity, of regression was evidence that MANCOVA would not be appropriate in investigating the role of self-other agreement on conditions believed favorable to role behavior.

Faced with the interaction, the authors turned their attention to investigating which covariates were involved in the interaction and what could be learned from such a determination. Analysis of Variance (ANOVA) was conducted on each of the two dependent variables using unique sum of the squares in which the product of the covariants and level of agreement (age\*agreement, gender\*agreement, and tenure\*agreement) were entered as the sources of

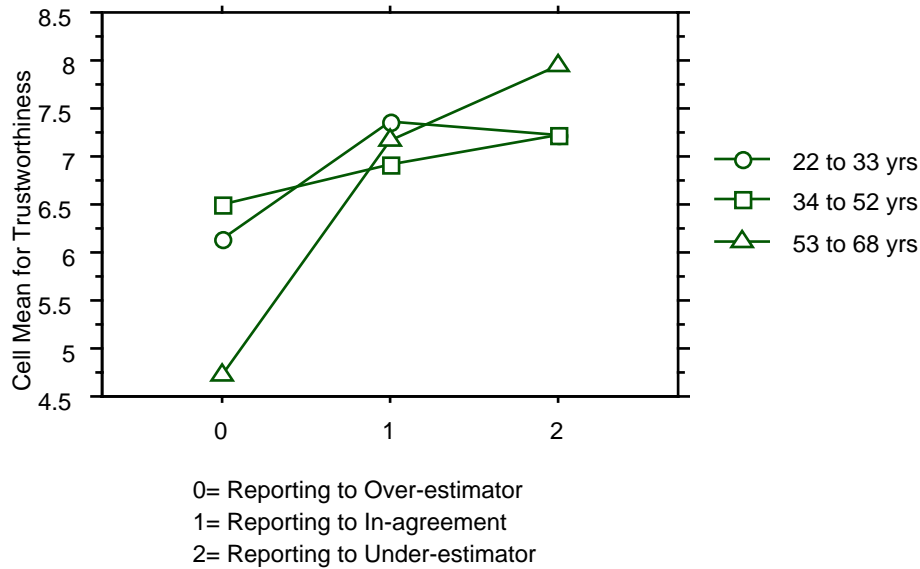


Figure 4. Interaction Between Age Cohort and Level of Agreement on Perceived Leader Trustworthiness.

variation. The interaction between age of the direct report and level of self-other agreement demonstrated significance in explaining variance in both perceived leader trustworthiness and altruism ( $df=321$ ;  $F=3.73$ ,  $p<.05$  and  $5=5.83$ ,  $p<.01$  respectively). To more fully visualize this interaction, the age of the direct reports was recoded into nominal groups representing generational cohorts ( 23 to 33 years of age,  $N=68$ ; 34 to 52 years of age,  $N=301$ ; 53 to 68 years of age,  $N=34$ ). The interaction between generational cohort membership and leader self-other agreement was plotted against perceived leader trustworthiness and altruism. Figures 4 and 5 represent the interaction.

It appeared that not much difference existed among group means regarding perceived leader trustworthiness when generational cohorts reported to leaders whose self-report was in agreement with feedback from their direct reports, and this was in line with the findings of Yammarino and Atwater (1997a, 1997b). While it appeared that those individuals reporting to over-estimating leaders might indeed perceive lower levels of trustworthiness in their leaders as

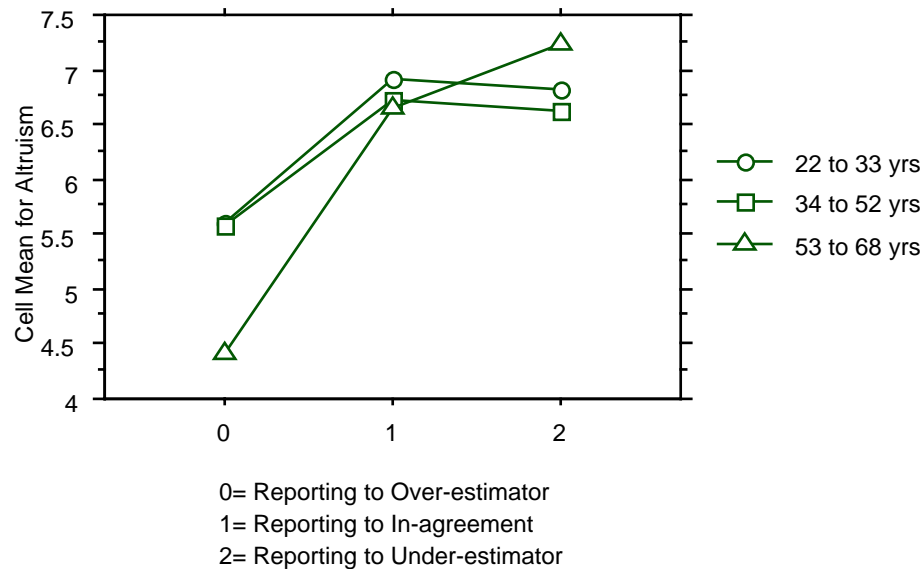


Figure 5. Interaction Between Age Cohort and Level of Agreement on Perceived Leader Altruism.

previously reported by Stark et al., (1999), this effect appeared to be confounded by increasing age. Individuals in the 53 to 68 age cohort reported much lower levels of perceived trustworthiness when reporting to over-estimators than members of other age cohorts. Individuals reporting to under-estimating leaders appeared to perceive greater levels of trustworthiness in their leaders' behavior than individuals reporting to over-estimating leaders. However, the group means did not appear to differ much from those reporting to in-agreement leaders with the exception of individuals in the 53 to 68 age cohort. Individuals in this cohort appeared to have much higher levels of perceived trustworthiness when reporting to under-estimators than members of other age cohorts.

In terms of perceived altruism, it appeared that not much difference existed among group means when generational cohorts reported to leaders whose self-report was in agreement with feedback from their direct reports. The results of this study suggested that individuals reporting to over-estimating leaders likely perceived lower levels of altruism in their leaders, but this effect

appeared to be once again confounded by increasing age. Individuals in the 53 to 68 age cohort reported much lower levels of perceived altruism when reporting to over-estimators than members of other age cohorts. Individuals reporting to under-estimating leaders appeared to perceive greater levels of altruism in their leaders' behavior than individuals reporting to over-estimating leaders. However, the group means did not appear to differ much from those reporting to in-agreement leaders with the exception of individuals in the 53 to 68 age cohort. Individuals in this cohort appeared to have much higher levels of perceived altruism when reporting to under-estimators than members of other age cohorts.

#### LIMITATIONS

This study is subject to all of the limitations of survey research. The interaction demonstrated in this study limits any conclusions regarding the causal model and implications arising from this interaction should be approached with great caution.

#### DISCUSSION

The relationship between the ability of leaders to accurately assess their own behavior and in doing so generate perceptions of trust and altruism that may possibly lead to extra contractual role behavior from direct reports and social capital remains unclear. This study found that levels of self-other agreement appeared to interact with the age of the direct reports to explain variance in perceptions of the leaders' trustworthiness and altruism. If leader trustworthiness and altruism are necessary conditions for direct reports to accept psychological contracts for extra role behavior, and there is substantial evidence that it is so, then one must question why older workers respond differently to leaders who over-estimate or under-estimate their own ability. More important, one must question what these findings might herald for contracting extra role behaviors in the work place in light of the rapidly aging workforce in western economies and the current tight market for labor in the U.S.

Career theory may assist in understanding the confounding influence of age in this study. Career plateauing is frequently viewed as a point in a career where further upward organizational mobility becomes extremely improbable and implies that plateaued individuals may no longer entertain real expectations for career advancement and upward mobility (Hall, 1985). Older

workers, such as those in this study in the 53-68 age cohort, are most likely at a permanent plateau in their careers. Studies have suggested that plateaued individuals are significantly more likely to rate their supervisors less favorably than non-plateaued managers (Near, 1984; 1985). This would suggest that older workers are more likely to be in disagreement with the self-ratings of their leaders. Confronted with what appears to be unrealistically high opinions of over-estimators, older workers (compared to younger workers in the same situation) may have higher levels of disbelief or distrust of such leaders' opinions on many issues including their ability to deliver valued outcomes for desired role behaviors. When reporting to an under-estimator, older workers may indeed be less inclined to assume an internal attribution for performance and behavior than raters who are relatively younger and less aware of environmental constraints on the leader's behavior and performance (Liden, Stilwell, & Ferris, 1996). Thus, in reporting to an under-estimator, older workers may likely see that leader as inherently trustworthy and altruistic, but constrained by organizational realities.

However, there is reason to suspect that even in situations where perceptions of trust and altruism are present, such perceptions may not make a significant contribution to older workers accepting role behaviors. It is possible that such perceptions may not even operate in the same manner as with younger workers. The literature suggests that workers over 50 years of age very often realize that they are losing initiative and inventiveness and take refuge in that which is familiar to them (Forteza & Prieto, 1994), thus predicting reduced potential of accepting any extra role behaviors. Further, Tornstam (1999) noted that as people age they experience changes in the meaning and importance of relationships and become more selective and less interested in superficial relationships. This is supported by Stark's (1994) finding that older, plateaued workers were less likely to be concerned with maintaining an "approval" relationship with their immediate supervisors. Thus, older workers' perceptions of trust and altruism, even if present, may not contribute to their establishing an exchange relationship with their immediate leaders resulting in extra role behaviors.

Workplace Visions (2000), noted that the U.S. Bureau of Labor Statistics estimates that between 1998 and 2008 the demand for labor in the United States will increase by fourteen

percent, but the supply of labor will grow by only twelve percent. Keeping older workers in the workforce will be an increasing strategy among business firms in the U.S. and other western economies. It has been projected that workers in the U.S. between 50 and 69 years of age will increase by one hundred and sixty-four percent between 1990 and 2010, and the total number of workers in this age group will represent thirty-six percent of the workforce by 2008 (Warr,1994).

Although this study was conducted in the United States, its findings may well be relevant to other western economies faced with an aging workforce. For instance, consider that in Great Britain, workers between 50 and 69 years of age will increase by one hundred and sixteen percent between 1990 and 2010, and the total number of workers in this age group will represent thirty-four percent of the workforce by 2008 (Warr,1994). In any western economy where obtaining extra role behaviors from employees is important to generation of social capital, the increased aging of the work force may represent a major challenge for supervisors, managers, and leaders.

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